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For immediate release

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 Representative: President and Representative Soji Maeda
 Director
 (Code No.: 1824, TSE 1st Sec.)
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Company: Maeda Comprehensive Infrastructure Co.Ltd.
 Representative: Representative Director Satoru Tahara
 Contact: Same as above

**Notice Regarding Commencement of a Tender Offer for
 the Shares of Maeda Road Construction Co., Ltd. (Securities Code: 1883)**

Maeda Corporation (“Maeda Corporation”) and its wholly owned subsidiary company Maeda Comprehensive Infrastructure Co.Ltd. (head office location: Chiyoda-ku, Tokyo; representative director: Satoru Tahara; the “Tender Offeror”) each determined at their respective board of directors meetings held today to acquire the common shares of Maeda Road Construction Co., Ltd. (listed on the First Section of the Tokyo Stock Exchange (“TSE”); securities code: 1883; the “Target Company,” and the common shares thereof, the “Target Company Shares”) through a tender offer (the “Tender Offer”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”).

This document constitutes disclosure by Maeda Corporation pursuant to the Securities Listing Regulations and public announcement by the Tender Offeror under Article 30, paragraph 1, item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Enforcement Order”) at the request of the Tender Offeror to Maeda Corporation, its wholly owning parent company.

Particulars

1. Outline of Maeda Comprehensive Infrastructure Co.Ltd.

(i) Name	Maeda Comprehensive Infrastructure Co.Ltd.
(ii) Address:	2-10-2 Fujimi, Chiyoda-ku, Tokyo
(iii) Name and position of representative:	Satoru Tahara, Representative Director
(iv) Description of business:	(1) Acquisition, holding and disposition of securities (2) Supporting and managing the business activities of companies whose securities the company holds (3) Lending of funds (4) All other business incidental or related to the above
(v) Stated capital:	250,000 yen (as of January 20, 2020)

2. Purpose of the purchase, etc.

(1) Outline of the Tender Offer

The Tender Offeror is a stock company established by Maeda Corporation on December 26, 2019 for the purpose of acquiring and holding the common shares of the Target Company (the “Target Company Shares”); Maeda Corporation holds all of the issued shares of the Tender Offeror as of today. As of today, the Tender Offeror holds 100 shares (Ownership Percentage: 0.00%; see Note) of the the Target Company Shares listed on the First Section of the TSE in order to secure the ability to exercise its rights as a shareholder of the Target Company such as the right to inspect the shareholder registry of the Target Company, and the wholly owning parent company of the Tender Offeror, Maeda Corporation, is the largest major shareholder of the Target Company, holding 20,459,900 shares of Target Company Shares (Ownership Percentage: 24.68%) as of today, which makes the Target Company an equity-method affiliate of Maeda Corporation.

Note: “Ownership Percentage” means the percentage (rounded to two decimal places; the same applies hereinafter) of 82,885,029 shares, which is the difference of the total number of issued shares of the Company as of December 31, 2019 (89,159,453 shares) as stated in the *Report on Treasury Shares* (the “Target Company’s Report on Treasury Shares”) announced by the Target Company on January 7, 2020, less the number of treasury shares held by the Target Company (6,274,424 shares) as stated in the Target Company’s Report on Treasury Shares; the same applies hereinafter.

The Target Company is a member of a corporate group consisting of Maeda Corporation and its 34 subsidiaries and 22 affiliated companies (the “Maeda Group”) (as of December 31, 2019). As a layer of roads, which are the basis of all social infrastructure in Japan, the Target Company has contributed to the development of social infrastructure in a variety of areas for many years. The Target Company has grown to be the second (see Note) largest company in the road paving industry in terms of sales, with consolidated revenue of approximately 223.7 billion yen (based on consolidated sales performance for the fiscal year ending March 2019 described in the Target Company’s Annual Securities Report for the 94th Fiscal Year), securing its place as a symbol of Japan in the road paving industry through its firm business base and strong brand.

Note: This is by comparison of the consolidated sales among the Target Company, NIPPO CORPORATION, THE NIPPON ROAD Co., Ltd., KAJIMAROAD CO., LTD., OBAYASHI ROAD CORPORATION, Taisei Rotec Corporation, SEIKITOKYU KOGYO CO., LTD., and TOA ROAD CORPORATION, which are stated to be the major road paving business operators in the “Financial Results of the Major Eight Road Paving Companies” in the *Kensetsutsushin Shimbun* dated May 16, 2019.

However, taking a wider view of the long-term future business environment in Japan, it is predicted that the loss of tax revenues from a shrinking population and the increase in social security costs for an aging society will put a strain on national and local government budgets, leading to further degradation of social infrastructure, leaving few funds for investment even in maintaining existing infrastructure, let alone new construction. As the working-age population declines due to the low birth rate, the shortage of labor will become more severe, making digitalization inevitable; the construction industry will also be forced to change its values and even the very structure of the industry. The aforementioned changes to the management environment are also occurring to the paving industry, which is the Target Company’s principal business, in order for the Target Company to expand its business base in the medium- to long-term and maintain sustainable growth, it must swiftly enact structural reforms, notably in the area of corporate governance, and flexibly and rapidly respond to its changing and expanding responsibilities to a broad range of stakeholders as visible in the SDGs (see Note 1).

Thus, in the context of changing values and industrial structure in both the construction and road paving industries, Maeda Corporation believes that it is essential to further enhance its cooperative relationship with the Target Company, mainly centering on the outsourcing of road paving for construction projects, and to share and effectively and efficiently leverage the technology, sales ability, customer assets and other operational resources that the two companies have built up so far, in the spirit of a more unified Maeda Group. If this is achieved, it will be possible to transform into a “comprehensive infrastructure services group” which will produce broad, stable and continuous profits by expanding its business in roads, airports, water and sewerage systems, MICE facilities (see Note 2) and a variety of other upstream and downstream infrastructure projects, a step which Maeda Corporation considers to be crucial to the enhancement of both its own and the Target Company’s corporate value. Specifically, Maeda Corporation intends to expand its infrastructure management business, focusing on the concession business (see Note 3), which forms the pillar of its future management strategy and will increase the viability of securing a stable and highly profitable income base.

The Target Company will be able to take on a leading role in the Group through involvement in highly profitable businesses such as comprehensive road management and the concession business, in addition to its existing business, and can expect to secure a stable income base in this new business area.

Note 1: “SDGs” refers to the sustainable development goals selected at the 2015 U.N. Summit, which are international objectives for the realization of a sustainable society from 2016 through 2030.

Note 2: “MICE” refers to meetings, incentive travel, conventions and exhibitions, and MICE facilities are facilities used to host these large-scale business events.

Note 3: The “concession business” refers to the business of granting to private companies the long-term operational rights with respect to public infrastructure, without transferring ownership.

The Target Company’s ongoing efforts to address work-style reforms and labor shortages due to a declining working-age population by bringing in an IT specialist as an outside director and developing ICT and other workload reduction and labor-saving technologies, including i-Construction (see Note 4), could also see a significant reduction in development expenses if pursued by both Maeda Corporation and the Target Company as one in conjunction with the digitalization strategies being enacted by Maeda Corporation and the Tender Offeror (Maeda Corporation and the Tender Offeror collectively, the “Acquirers”). Furthermore, in addition to the technology, sales ability, customer assets and other operational resources that Maeda Corporation and the Target Company have built up, by gathering and analyzing operational know-how and maintenance and repair data for new infrastructure as big data in order to improve business efficiency and precision, the Acquirers and the Target Company can expect improved operational efficiency that will maximize corporate value for themselves and the Group as a whole.

Note 4: “i-Construction” refers to initiatives to make construction sites more attractive by increasing the productivity of the construction and production system as a whole through the implementation of broad-application ICT (ICT engineering) and other efforts.

To that end, Maeda Corporation believes that it is desirable to increase its influence over the Target Company by the Acquirers’ acquisition of the majority of the shares of the Target Company and making the Target Company a consolidated subsidiary company, thereby smoothening the adjustments related to the direction of the management strategies between the Acquirers and the Target Company, and at the same time, increasing speed of the Target Company’s decision-making related to the management strategies. On the other hand, Maeda Corporation believes that it is desirable not to make the Target Company a wholly owned subsidiary, from the viewpoint of the Target Company’s proactive endeavors in preexisting businesses such as road paving and the expectations of the Target Company’s continuous development based upon such endeavors, by respecting the Target Company’s corporate culture and self-initiative of management which are the foundations of the establishment of the business foundation, brand and technological abilities, etc. of the Target Company built up to the present.

Maeda Corporation also believes that there is a need to reform the Target Company’s management in order to ensure sound corporate governance, in light of the stark revelation of compliance and corporate governance issues in the industry following the Japan Fair Trade Commission’s announcement in July 2019 that the Target Company and six other paving companies (Taisei Rotec Corporation, KAJIMAROAD CO.,LTD., OBAYASHI ROAD CORPORATION, SEIKITOKYU KOGYO CO., LTD., GAEART Co.,LTD., and TOA ROAD CORPORATION) and two other companies (THE NIPPON ROAD Co.,Ltd. and NIPPO CORPORATION) had, as late as March 2011, breached the Anti-Monopoly Act by colluding to increase the price of asphalt, with the seven paving companies being subject to a cease and desist order, and the seven paving companies and THE NIPPON ROAD Co.,Ltd. being ordered to pay administrative monetary penalties. The Maeda Corporation believes that this is key to the further growth of the Maeda Group as a whole as a “comprehensive infrastructure services group,” and the enhancement of the corporate value of both the Acquirers and the Target Company.

Based on the above considerations, Maeda Corporation determined to establish the Tender Offeror as a wholly owned subsidiary on December 26, 2019 for the purpose of rapidly and flexibly acquiring the Target Company Shares and securing the flexibility and adaptability for a possible future reorganization (although none is specifically planned or being considered as of today), and the Acquirers each resolved at their respective board of directors meetings on January 20, 2020 to conduct the Tender Offer, with the aim of making the Target Company a consolidated subsidiary by the Tender Offer, and increasing Maeda Corporation’s influence over the Target Company by acquiring the shares of the Target Company even if the Target Company is not immediately made a consolidated subsidiary as a result of the Tender Offer.

As stated in “A. Background and purpose of the Tender Offer” in “(2) Background, purpose and process of decision-making that led to the decision to conduct the Tender Offer, and management policy after the Tender Offeror” below,

Maeda Corporation continued to make proactive proposals for the enhancement of the Target Company's corporate value from mid-May 2019 through late June 2019, and from December 4, 2019 through December 20, 2019, proposed the enhancement of the two companies' capital relationship, including a tender offer for the purpose of Maeda Corporation acquiring the majority of voting rights of the Target Company, as a method of achieving the transformation into a comprehensive infrastructure services group; however, the Target Company's current management remained stubbornly negative without indicating any specific reasons for its position, and Maeda Corporation was not able to hold discussions regarding specific methods of enhancing the two companies' capital relationship, including the Tender Offer. However, Maeda Corporation considers that increasing its influence over the Target Company, smoothening the adjustments related to the direction of the management strategies between the Acquirers and the Target Company, and increasing the speed of decision-making related to the management strategies by the Target Company, by the Acquirers' acquisition of the majority of the shares of the Target Company and making the Target Company a consolidated subsidiary, as well as (i) reforming the Group's management systems and business operations through reinforcement of compliance and corporate governance, and (ii) transforming the Group into a comprehensive infrastructure services group in a rapidly changing business environment where existing business can no longer be relied upon, are the best options for enhancing the corporate value of the Target Company and, by extension, the Maeda Group as a whole, and essential for its future survival, and the first steps toward that transformation must be taken as soon as possible. Based on those beliefs, Maeda Corporation decided to abandon talks with the Target Company and conduct the Tender Offer. Thus, although the Acquirers have not received an opinion endorsing the Tender Offer from the Target Company as of today, the Acquirers intend to continue to fully explain the purport of the Tender Offer to the management of the Target Company and work to obtain their endorsement.

Maeda Corporation determined to acquire the Target Company as a consolidated subsidiary company, not as a wholly owned subsidiary, in light of the fact that the purpose of the Tender Offer is to make the Target Company a consolidated subsidiary company of Maeda Corporation as stated above, and that it is desirable for both companies to create an appropriate relationship taking into consideration the interests of minority shareholders on the premise of maintaining the public listing of the Target Company Shares and ensuring the independence of the Target Company even after the Tender Offer such that the Target Company's managerial independence can be respected while strengthening the capital relationship between the two companies, given that maintaining the unique corporate culture and managerial independence of the Target Company is of key importance in enhancing corporate value. To that end, the maximum number of shares to be purchased in the Tender Offer has been set at 21,811,300 shares (Ownership Percentage: 26.32%) in order to ensure that the number of shares of the Target Company Shares held directly or indirectly by Maeda Corporation after the purchase, etc. of the shares to be purchased in the Tender Offer does not exceed 42,271,300 shares (Ownership Percentage: 51.00%).

If the aggregate number of share certificates, etc. tendered to the Tender Offer (the "Tendered Share Certificates, Etc.") exceeds the maximum number of shares to be purchased (21,811,300 shares), the Tender Offeror will not conduct the purchase, etc. with respect to all or part of the excess portion, and will acquire share certificates, etc. and effect other settlement procedures for their purchase, etc. using the pro rata method pursuant to the provisions of Article 27-13, paragraph 5 of the Act and Article 32 of the *Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer* (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; the "Cabinet Office Ordinance"). Because the purpose of the Tender Offer, while aiming to make the Target Company a consolidated subsidiary, also includes increasing Maeda Corporation's influence over the Target Company through the acquisition of the Target Company Shares and offering the shareholders of the Target Company an appropriate opportunity to sell their shares, no minimum number of shares to be purchased has been set. Therefore, the Tender Offeror will purchase all of the Tendered Share Certificates, Etc. if the aggregate number of the Tendered Share Certificates, Etc. is equal to or less than the maximum number of shares to be purchased (21,811,300 shares).

(2) Background, purpose and process of decision-making that led to the decision to conduct the Tender Offer, and management policy after the Tender Offeror

A. Background and purpose of the Tender Offer

Maeda Corporation, the wholly owning parent company of the Tender Offeror, was founded in January 1919 as the Maeda Office, an affiliate of Tobishimagumi, by Matabee Maeda Sr., who had engaged in civil engineering in Fukui Prefecture since the Meiji period. Matabee Sr. took on a great number of civil engineering projects, including the Takase River hydroelectric dam, to build Maeda Corporation's business base. In 1938, Matabee Maeda Jr. took over from his father, and moved the head office to Tokyo in November 1946, establishing Maeda Corporation in its current form. January 2019 was the company's 100th anniversary. The company first listed on the Second Section of the TSE in June 1962, and its designation was changed to the First Section of the TSE in April 1964, where it remains listed as

of today. In honor of its 100th anniversary, Maeda Corporation formulated the “New MAEDA Corporate Image” to realize enduring growth for the next 100 years, aiming to achieve sustainable and highly profitable management, obtain the trust of all stakeholders, and resolve global social issues. In order to progressively pursue those new aims, the company also adopted the “comprehensive infrastructure services company” as its “NEXT10” vision for the coming decade, with the specific objectives of (i) merging contracting and de-contracting and (ii) enhancing the management base through the promotion of productivity reforms and digitalization strategies.

The Target Company has its origin in March 1925 as a civil engineering and construction business begun by Seizo Takano, and after establishing Takanogumi Co., Ltd. as a specialist paving company in Chiyoda-ku, Tokyo in July 1930, changed its name to Takano Construction Co., Ltd. in March 1948, and began operating around the country. Takano Construction’s shares went public as an over-the-counter approved issue in Tokyo in April 1959, and in Osaka in June 1960; in October 1961, the company briefly listed on the Second Section of the Tokyo and Osaka stock exchanges, but was delisted in December 1962 due to an order commencing corporate reorganization proceedings under the Corporate Reorganization Act. In January 1964, the Tokyo Securities Dealers Association approved the stock as a semi-registered over-the-counter issue, and the Osaka Securities Dealers Association approved the stock as a special registered over-the-counter issue, and the stock was registered as an over-the-counter issue with the Tokyo Securities Dealers Association in April 1969, and with the Osaka Securities Dealers Association in May 1969. In July 1971, Takano Construction again listed on the Second Section of the TSE and withdrew its over-the-counter issue from the Osaka Securities Dealers Association; its designation was changed to the First Section of the TSE in May 1972, where it remains listed as of today.

The relationship between Maeda Corporation and the Target Company began in January 1964, when the rehabilitation plan was approved, and the Target Company having requested Maeda Corporation’s help, welcomed a senior managing director of Maeda Corporation as its vice president. In June 1964, Takano Construction executed a business alliance with Maeda Corporation, and leveraged Maeda Corporation’s business expertise to strengthen its business base by rebuilding its management and expanding its business under the two management policies of “asphalt mixture sales” and the “block system” of focusing its sales efforts on small-scale works by establishing permanent business locations. The Target Company joined the Maeda Group in February 1962, changing its name from Takano Construction Co., Ltd. to MAEDA ROAD CONSTRUCTION CO., LTD. Maeda Corporation acquired a total of 2,293,100 shares of the Target Company by undertaking an allotment in September 1969, and thereafter increased its shareholding through public offerings and allotments of share without contribution, acquiring a total of 20,460,000 shares (Ownership Percentage: 24.68%) by March 2001, and making it an equity-method affiliate.

The Target Company’s business principle is to “contribute widely to the creation of social capital and to lifestyle improvements for regional communities,” and its contributions to the diversification of regional infrastructure have encompassed not just road construction but paving for parking lots, installation and maintenance of block fences, and other works closely connected to everyday life, and the provision of asphalt mixture. The Target Company’s (consolidated) sales in the areas of asphalt paving and concrete paving total approximately 223.7 billion yen (based on consolidated sales performance for the fiscal year ending March 2019 described in the Target Company’s Annual Securities Report for the 94th Fiscal Year), the second-highest in the paving industry. With asphalt plants around the country (including those owned by affiliates), the Target Company has secured a certain status in the industry which, combined with its solid business base and strong brand built up over many years, makes it one of the leading firms in the Japanese paving industry in terms of both ability and brand recognition.

However, taking a wider view of the long-term future business environment, it is predicted that the loss of tax revenues from a shrinking population and the increase in social security costs for an aging society will put a strain on national and local government budgets, leading to further degradation of social infrastructure, leaving few funds for investment even in maintaining existing infrastructure, let alone new construction. As labor shortages become more severe and digitalization becomes inevitable, values will change and even the very structure of the industry will change; these changes will have a significant impact on the paving industry, which is the Target Company’s principal business. Furthermore, compliance and corporate governance issues in the industry were starkly revealed by the Japan Fair Trade Commission’s announcement in July 2019 that the Target Company and six other paving companies (Taisei Rotec Corporation, KAJIMAROAD CO.,LTD., OBAYASHI ROAD CORPORATION, SEIKITOKYU KOGYO CO., LTD., GAEART Co.,LTD., and TOA ROAD CORPORATION) and two other companies (THE NIPPON ROAD Co.,Ltd. and NIPPO CORPORATION) had, as late as March 2011, breached the Anti-Monopoly Act by colluding to increase the price of asphalt, with the seven paving companies being subject to a cease and desist order, and the seven paving companies and THE NIPPON ROAD Co.,Ltd. being ordered to pay administrative monetary penalties.

In order for the Target Company to expand its business base in the medium- to long-term and achieve further growth in this business environment, it must swiftly enact structural reforms, particularly management reforms including

across-board enhancement of compliance processes and the implementation of a corporate governance system that can appropriately supervise the execution of those reforms, and address its expanding responsibilities to a broad range of stakeholders as visible in the SDGs. If the Target Company is unable to resolve these issues, the ensuing reduction in corporate value and social credibility will affect not only the Target Company, but also Maeda Corporation and the other companies of the Maeda Group; therefore, these changes must be swiftly and flexibly addressed. The Acquirers particularly believe that it is necessary, from the viewpoint of the speed of decision-making, for the Acquirers to acquire the majority of the shares of the Target Company and to make it a consolidated subsidiary, thereby increasing influence over the Target Company, smoothening the adjustments related to the direction of the management strategies between the Acquirers and the Target Company, and increasing speed of the decision-making related to management strategies of the Target Company.

In light of that business environment, the Acquirers consider it to be crucial to the enhancement of both their own and the Target Company's corporate value to transform into a "comprehensive infrastructure services group"—which will produce broad, stable and continuous profitability by expanding its business in roads, airports, water and sewerage systems, MICE facilities and a variety of other upstream and downstream infrastructure projects—by enhancing their business collaborations as detailed in "(ii) Collaboration in the areas of comprehensive public infrastructure management and PPP (see Note 1) and concessions" and "(iii) Joint development of technologies and shared use of the ICI Center (see Note 2)" below, and sharing and effectively and efficiently leverage the technology, sales ability, customer assets and other operational resources that the two companies have built up so far, in the spirit of a more unified Maeda Group.

Maeda Corporation has held ongoing discussions with the Target Company regarding how to improve synergies, including strengthening the Target Company's compliance and corporate governance systems, leveraging the Target Company's technology and expertise in road paving as a member of the Maeda Group in order to demonstrate its competitiveness in business areas such as comprehensive public infrastructure management and PPP and concessions, formulating Group-wide strategies based on the unified management and analysis of the Target Company's past experience, technology and expertise in road paving as big data, promoting the development of technologies and systems, and actively exchanging and training personnel.

Moreover, the Maeda Group is conscious of the pressing need to establish group strategies to address the changes in the construction industry, and thus, in addition to rapidly enacting governance reforms across the Maeda Group, from mid-May to early June 2019 Maeda Corporation made repeated active proposals to the Target Company, which occupies an important position with regard to the Group's strategy, for strengthening governance by dispatching a director designated by Maeda Corporation to the Target Company and enhancing corporate value by proposing new growth strategies. Also, in August 2019, Maeda Corporation held discussions with the Target Company regarding its medium- to long-term strategy. Every time it made a proposal or held a discussion with the Target Company, Maeda Corporation explained in detail the background of its proposals, including the unclear and uncertain business environment, the increasing social pressure to reform the corporate governance system, and the need for collaboration as a unified group in order to overcome these hurdles, and made specific recommendations based on those explanations. However, in contrast to Maeda Corporation's sense of urgency in the face of these developments, the Target Company's response has been one of complacency with the status quo, which has created significant differences of understanding that have prevented the Target Company from accepting or sufficiently discussing Maeda Corporation's proposals.

Note 1: "PPP" refers to public private partnerships, which are schemes under which the public and private sectors work together to provide public services.

Note 2: The "ICI Center" is a unique facility established by Maeda Corporation, whose name stands for "Incubation × Cultivation × Innovation." The ICI Center is an expression of Maeda Corporation's vision of creating a new center for the value creation and personnel training necessary to do business as a contractor solving varied social issues in a market economy. The ICI Center functions not only as a facility for enabling research and development of construction technologies and an office for collaborative innovation, but also as a personnel development facility where the Maeda Group and other companies can engage in broad-ranging and proactive hiring and training.

On December 4, 2019, Maeda Corporation proposed to the Target Company the enhancement of the two companies' capital relationship, including a tender offer for the purpose of Maeda Corporation acquiring the majority of voting rights of the Target Company, as a method of strengthening the Target Company's corporate governance and achieving the transformation into a comprehensive infrastructure services group, setting December 20 as the deadline for the Target Company's response. On that occasion, Maeda Corporation made every effort to explain the need for Maeda Corporation to acquire the majority of voting rights of the Target Company in order to strengthen group governance and realize a comprehensive infrastructure services group, as well as the importance of determining how to preserve the Target Company's independence. However, the Target Company responded negatively, telling Maeda Corporation on

December 6 that it would not be possible to respond to the proposal by the deadline, and that the synergies of business combination could not be effectively achieved through capital integration.

Maeda Corporation persisted, and again explained the necessity and importance of strengthening the two companies' capital relationship on December 13, and carefully explained its intention to enhance the Target Company's corporate value while securing its managerial independence, in light of the possibility that the Target Company may have misunderstood the explanation given on December 4 as meaning that the Target Company would lose its managerial independence through the enhancement of the capital relationship. However, on December 20, the Target Company gave a negative response to the effect that maintaining the status quo would be the best course of action, without giving any concrete reasons for that decision.

Thus, the Target Company's current management remained stubbornly negative toward Maeda Corporation's proposals, refusing to understand even the initial arguments, and Maeda Corporation was unable to even begin to hold a concrete discussion with the Target Company regarding the enhancement of the Target Company's governance and the group-wide synergy effects and other merits of a stronger capital relationship. In particular, the Target Company did not share the sense of urgency with respect to the pressing issues of management policy and business reform that the Group is confronting in the current rapidly changing business environment, preventing the discussion from proceeding. For this reason, Maeda Corporation abandoned discussions with the Target Company due to the fact that it was unlikely to be able to convince the Target Company to agree to the strengthening of their capital relationship through further negotiations, and due to Maeda Corporation's belief that the transition to a comprehensive infrastructure services group is a pressing matter and that steps toward its realization must be taken quickly. Therefore, Maeda Corporation determined to conduct the Tender Offer in the belief that, irrespective of the beliefs of the Target Company's current management, making the Target Company a consolidated subsidiary company through the Tender Offer, or increasing Maeda Corporation's influence on the Target Company even if the transition to a consolidated subsidiary cannot be immediately achieved, will be beneficial to the Target Company's corporate value and will produce synergies including leveraging the Target Company's technology and expertise in road paving as a member of the Maeda Group in order to demonstrate its competitiveness in business areas such as comprehensive public infrastructure management and PPP and concessions, formulating Group-wide strategies based on the unified management and analysis of the Target Company's past experience, technology and expertise in road paving as big data, promoting the development of technologies and systems, and actively exchanging and training personnel.

Upon the completion of the Tender Offer, Maeda Corporation intends to swiftly implement the following policies together with the management of the Target Company, in order to promote the further enhancement of the Target Company's corporate value.

(i) Enhancement of compliance and corporate governance

In order to comply in good faith with the "Declaration Renouncing Collusion" issued on its public website in at the end of June 2016 and eliminate unlawful conduct, the Target Company should discuss with Maeda Corporation increasing the proportion of the Target Company's board of directors represented by independent outside directors and the appropriate assignment of staff in order to enhance its governance function, and consider increasing checks in order to maintain and manage a sound management regime. In order to reform the corporate culture into one that absolutely eradicates collusion and other unlawful conduct, the Acquirers also intend to install a committee and review the Target Company's personnel systems. The Acquirers will also take pointers from the recent industry-wide move toward work-style reforms to create a working environment that allows the officers and employees of the Target Company to be more active and enthusiastic about their work, and improve the Target Company's culture through raising awareness, reforming systems, and increasing productivity via the injection of Maeda Corporation's credo ("Honesty, Ambition, and Skill") and the "challenger spirit" and "firmness of management" that make up the DNA of the Maeda Group.

(ii) Collaboration in the areas of comprehensive public infrastructure management and PPP and concessions

Even as local government budgets are predicted to undergo further strain due to demographic changes, the need to address aging infrastructure is also rapidly increasing, which will leave few funds for investment even in maintaining existing infrastructure, let alone new construction; in order to resolve this issue, new markets for public-private collaboration, including comprehensive public infrastructure management and PPP and concessions, are all but certain to see rapid growth in the coming years. Domestic maintenance costs and capital expenditure in Japan are estimated to be around 15 trillion yen annually (see Note 3); if the proportion of this total represented by PPP and concessions reaches the level of the U.K. or Australia (around 10.4%; see Note 4), two developed countries with similar business models, over the next decade, then the market for comprehensive public infrastructure management and PPP and concessions will expand to approximately 1.6 trillion yen in 10 years' time.

A highly competitive position could be obtained in these new markets, particularly in the comprehensive contracting of road maintenance, operation and repair, and concessions for toll roads, by combining the paving technology and

expertise built up by the Target Company and the construction technology and expertise built up by Maeda Corporation, as well as Maeda Corporation's specific technology, expertise and knowledge of the maintenance, operation, repair and renewal of toll roads through its involvement in the Aichi Prefecture toll road concessions business operated by Maeda Corporation (operation commenced on October 1, 2017). Considering that the sales gross margin for the Aichi Prefecture toll road concession business is 22.5% (as calculated from the sales of 16.32 billion yen and the gross margin of 3.67 billion yen of the performance for the fiscal year ending March 2019 described in the supplementary schedules of the calculation documents of the business report for the 3rd term of Aichi Road Concession Co., Ltd.), and Maeda Corporation has already confirmed high profitability of the Aichi Prefecture toll road concession business in comparison with the sales gross margin of 12.2% of the construction business of Maeda Corporation (as calculated from the sales of 436.2 billion yen and gross margin of 53.1 billion yen of the construction business from among the consolidated performance of described in the statement of accounts for the fiscal year ending March 2019 of Maeda Corporation), the concessions market can be expected to become a new, highly profitable business base for the Target Company. Additionally, if the Target Company takes on these new businesses, it will also contribute to higher production rates for the Target Company's asphalt plants in those regions, further increasing its profitability.

Moreover, the foreign concessions business that Maeda Corporation is focusing on will be an important stepping-stone in reforming the Target Company's business strategy, which is focused on the domestic market that is predicted to shrink in the medium- to long-term, and pivoting its technology, expertise, and competitive business model in the area of small-scale small-lot orders to overseas markets, which will contribute to enhancing the Target Company's corporate value in the medium- to long-term and expanding its presence both domestically and overseas through the addition of overseas business locations and the growth of its international network.

Note 3: Calculated by Maeda Corporation based on: "Road Statistics Annual Report 2017–The State of the Roads" by the Ministry of Land, Infrastructure, Transport and Tourism; "Public Facilities Renewal Expense Calculation Software Specification (2016 Edition)" by the Japan Foundation for Regional Vitalization; "Road Bureau Road Maintenance Report (August 2018)" by the Ministry of Land, Infrastructure, Transport and Tourism; "Calculating the Scale of Infrastructure Renewal Investment and Measures and Policy for Addressing Issues" by Toyo University; "Longitudinal Tables of Public Facilities Status Reports 2017," "Regional Financial Report 2018," "2016 Regional Public Company Yearbook," and "2017 Regional Public Company Yearbook" by the Ministry of Internal Affairs and Communications; and other sources.

Note 4: Calculated by Maeda Corporation based on "Likelihood of PFI for Large-Scale Renewal of Aging Infrastructure and Notes on the International Comparison of Public Funds" by the Development Bank of Japan (May 2013).

(iii) Joint development of technologies and shared use of the ICI Center

In recent years, labor shortages due to the effects of Japan's decreasing birth rate, aging society, and reduction in working-age population have been felt particularly strongly in the construction industry, and increasing productivity through labor-saving and workload reduction have become pressing issues for the industry. At the same time, players from manufacturing, IT, and other industries have been making proactive moves into areas previously restricted to construction experts, as seen in smart city, smart infrastructure, and similar civil works projects, hinting at the more diversified, more intense competitive environment to come in the near future. In this rapidly changing environment, construction companies are presented with a strong sense of urgency—we must adapt rapidly to these developments in order to achieve sustainable growth and survive into the future.

Maeda Corporation believes that maximizing the use of big data on construction productivity and infrastructure management and fostering personnel are essential elements of its growth strategy in this environment. Specifically, the ICI Center established in 2019 and the Aichi toll road concessions business currently under operation will be the core of wide-ranging joint research and development fields that Maeda Corporation will pursue through proactive investment in startups, while at the same time promoting the implementation of a data-sharing system that enables the unified management of production data on design, construction, manufacturing, costs and processes within the Maeda Group.

The ICI Center functions not only as a facility for enabling research and development of construction technologies and an office for collaborative innovation, but also as a personnel development facility where the Maeda Group and other companies can engage in broad-ranging and proactive hiring and training.

The Target Company will also be more efficiently and effectively able to respond to future changes if it shares and maximally leverages the technology and personnel development environment and digitization strategies held by Maeda Corporation. Furthermore, through the unified management of the construction experience, technology and expertise held by Maeda Corporation and the Target Company as big data, more accurate analysis can be achieved than would be possible through individual efforts, which will enhance the Maeda Group's strategic planning and technical and

systems development capabilities across the board.

The Target Company's rich experience, technology and expertise, particularly in the area of road paving, will increase its competitiveness in the growing road maintenance and operation business, and will contribute to the enhancement of the value of the Group as a whole.

As stated in "(1) Outline of the Tender Offer" above, the maximum number of shares to be purchased in the Tender Offer has been set such that Maeda Corporation will directly or indirectly hold a maximum of 51.00% (post-Tender Offer shareholding of 42,271,300 shares) of the Target Company Shares after the Tender Offeror's acquisition of the Target Company Shares through the Tender Offer. That maximum Ownership Percentage has been set in order to strengthen the collaborative relationship between the two companies as group members under the same Maeda name, and to enable the expanded operational synergies of a comprehensive infrastructure services group, while also respecting and continuing to leverage the unique culture of the Target Company as a listed company to the maximum degree possible.

B. Management policy after the Tender Offer

Maeda Corporation will deliberate the dispatch of directors from Maeda Corporation and further increasing the proportion of the Target Company's board of directors represented by independent outside directors after the Tender Offer in consideration of the Tender Offeror's Ownership Percentage of the common shares of the Target Company and the opinions expressed by the Target Company's management in discussions after the Tender Offer; however, there is no fact specifically expected or determined at this stage as to the number of directors to be dispatched. The specific management policy and management systems after the Tender Offer will also be determined based on consultations with the management of the Target Company after the Tender Offer from the perspective of further enhancing both companies' corporate value, and therefore have not been determined at this stage. Maeda Corporation intends to request a consultation with the management of the Tender Offer in order to discuss these matters promptly after the Tender Offer is completed.

(3) Plan for additional acquisition of the Target Company Shares

As stated in "(1) Outline of the Tender Offer" above, the Acquirers have determined that it is desirable as of today to increase their holdings of the Target Company Shares up to a maximum Ownership Percentage of 51%. Therefore, a maximum number of shares to be purchased in the Tender Offer has been set, and there is no plan at this stage to purchase additional share certificates, etc. of the Target Company after the Tender Offer provided that the Ownership Percentage of the Maeda Group reaches 51.00%. Even if the maximum number of shares to be purchased in the Tender Offer is not met, and the Ownership Percentage of the Maeda Group does not reach 51.00%, the additional acquisition of the share certificates, etc. of the Target Company after the Tender Offer is currently not planned, since the Tender Offer also has the aim to increase Maeda Corporation's influence over the Target Company through the acquisition of the shares of the Target Company even if the Target Company is not immediately made a consolidated subsidiary as a result of the Tender Offer.

(4) Prospect of and reasons for delisting

The Target Company Shares are listed on the First Section of the Tokyo Stock Exchange as of today. Given that the delisting of the Target Company Shares is not contemplated as part of the Tender Offer, and the Acquirers intend to maintain the public listing of the Target Company Shares after the Tender Offer, a maximum number of shares to be purchased (21,811,300 shares) has been set, such that the Target Company Shares held by the Acquirers after the Tender Offer will not exceed 42,271,300 shares (Ownership Percentage: 51.00%). Therefore, the listing of the Target Company Shares on the First Section of the TSE will be maintained after the Tender Offer.

(5) Details of material agreements between the Acquirers and the shareholders of the Target Company concerning the tendering of shares to the Tender Offer

Not applicable.

3. Outline of the purchase, etc.

(1) Outline of the Target Company

(i) Name:	Maeda Road Construction Co., Ltd.
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(ii)	Address:	1-11-3 Osaki, Shinagawa-ku, Tokyo
(iii)	Name and position of representative:	Ryozo Imaeda, President and Representative Director
(iv)	Description of business:	Construction contracting, design and supervision Manufacture and sale of construction materials All other business incidental or related to the above
(v)	Stated capital:	19,350 million yen (as of September 30, 2019)
(vi)	Date of establishment:	July 19, 1930
(vii)	Major shareholders and shareholding ratio: (as at September 30, 2019)	MAEDA CORPORATION 24.38%
		NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST 5.59% (Standing proxy: Custody Services Department, The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)
		The Master Trust Bank of Japan, Ltd. (trust account) 4.43%
		Northern Trust Company AVFC Re: U.S. Tax Exempted Pension Funds 3.29% (Standing proxy: Custody Services Department, The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)
		Japan Trustee Services Bank, Ltd. (trust account) 3.08%
		Maeda Road Construction Employee Shareholding Association 2.14%
		Northern Trust Company (AVFC) Account Non Treaty 1.91% (Standing proxy: Custody Services Department, The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)
		Kyoei Fire & Marine Insurance Co., Ltd. 1.79%
		Japan Trustee Services Bank, Ltd. (trust account 5) 1.59%
		STATE STREET BANK AND TRUST COMPANY 505001 1.58% (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)
(viii)	Relationship between the Tender Offeror and the Target Company:	
	Capital relationship	As of today, the Tender Offeror holds 100 shares of the Target Company Shares (ownership percentage: 0.00%). The wholly owning parent company of the Tender Offeror, Maeda Corporation, holds 20,459,900 shares of the Target Company Shares (ownership percentage: 24.68%), and thus, Maeda Corporation holds 20,460,000 shares of the Target Company Shares (ownership percentage: 24.68%) directly or indirectly through the Tender Offeror in total as of today.
	Personnel relationship	As of today, one the directors of the Target Company was formerly employed by the wholly owning parent company of the Tender Offeror, Maeda Corporation.
	Transactional relationship	The wholly owning parent company of the Tender Offeror, Maeda Corporation, had transactions with the Target Company in the Target Company's 94th fiscal year consisting of outsourcing of road paving and

	exterior work from Maeda Corporation to the Target Company, and outsourcing of civil engineering and construction work from the Target Company to Maeda Corporation.
Status as a related party	The Target Company is an equity-method affiliate of the wholly owning parent company of the Tender Offeror, Maeda Corporation.

(2) Schedule, etc.

(i) Schedule

Date of resolution by the board of directors	Monday, January 20, 2020
Date of public notice of commencement of the Tender Offer	Tuesday, January 21, 2020 Public notice will be by electronic public notice and publication in the <i>Nihon Keizai Shimbun</i> . (URL for electronic public notice: http://disclosure.edinet-fsa.go.jp/)
Filing of the tender offer registration statement	Tuesday, January 21, 2020

(ii) Initial tender offer period at the time of filing

Tuesday, January 21, 2020 to Wednesday, March 4, 2020 (30 business days)

(iii) Possibility of extension upon a request by the Target Company

Not applicable.

(3) Price for purchase, etc.

3,950 yen per share of common shares

(4) Basis of calculation, etc. of the price for purchase, etc.

(i) Basis of calculation

In determining the Tender Offer Price, the Acquirers requested in late November 2019 that Daiwa Securities Co., Ltd. (“Daiwa Securities”), their financial advisor and a third-party valuation institution independent from the Acquirers and the Target Company, to calculate the value of the Target Company Shares. Daiwa Securities is not a related party of the Acquirers or the Target Company, and does not have any material interest in the Tender Offer.

The Acquirers obtained the share valuation report from Daiwa Securities dated January 17, 2020 (the “Valuation Report”). After considering the valuation methods available for the Tender Offer, and given that the Target Company is a going concern and reasoning that it is appropriate to evaluate its share price from multiple perspectives, Daiwa Securities conducted a valuation of the Target Company Shares using (i) average market price analysis based on the movements of the market price of the Target Company’s shares, (ii) comparable company analysis, given that there are listed companies comparable to the Target Company and analogical inference of the share value of the Target Company Shares is possible through this approach, and (iii) discounted cash flow analysis (“DCF Analysis”) taking into account the Target Company’s current and projected performance. The Acquirers have not obtained an opinion concerning the appropriateness of the Tender Offer Price (a fairness opinion) from Daiwa Securities.

According to the Valuation Report, the following are the valuation methods adopted and the valuation ranges per share of Target Company Shares obtained through those valuation methods.

Market price analysis: 2,443 yen to 2,671 yen

Comparable company analysis: 1,545 yen to 2,239 yen

DCF Analysis: 3,404 yen to 4,709 yen

For the average market price analysis, the record date was set at January 17, 2020, and the valuation per share of Target Company Shares was made based on the closing price of the Target Company Shares quoted on the First Section of the TSE on the record date (2,633 yen) and the simple average closing prices over the one-month (2,671 yen, rounded to the nearest whole yen; the same applies to simple average closing prices hereinafter in this paragraph), three-month (2,546 yen), and six-month (2,443 yen) periods immediately prior to the record date, which indicated a value per share of the Target Company Shares in the range of 2,443 yen to 2,671 yen.

For the comparable company analysis, the value of the Target Company Shares was calculated by comparing the market share prices and financial indicators showing the profitability, etc., of companies, engaged in the road paving business similar to the Target Company, which indicated a value per share of the Target Company Shares in the range of 1,545 yen to 2,239 yen.

For the DCF analysis, the corporate value and the share value of the Target Company were calculated by first estimating the amount of the free cash flow that the Target Company is expected to generate in and after the third quarter of the fiscal year ending March 2020 based on various factors, such as publicly disclosed information and the earnings and investment plan set out in the four-year business plan for the Target Company from March 2020 through March 2023, prepared by the Acquirers based on their knowledge of the Target Company's business, the Target Company's past and recent performance, and publicly disclosed information, and then deriving the present value of that amount using a certain discount rate, which indicated a value per share of the Target Company Shares in the range of 3,404 yen to 4,709 yen. The above business plan which Daiwa Securities used as a basis for the DCF Analysis does not contain any fiscal years in which a significant increase or decrease in earnings is expected. The effects on profitability of the synergies expected to be obtained upon completion of the Tender Offer were not reflected in the valuation due to the difficulty of concretely estimating their value at this stage.

The Acquirers determined that it would be appropriate to offer a price that constitutes an appropriate premium on the market price of the Target Company Shares, and ultimately decided on January 20, 2020 to set the Tender Offer Price at 3,950 yen per share, based on the Valuation Report received from Daiwa Securities and comprehensive consideration of the movements in the market price of the Target Company Shares, the premium added in past tender offers by a person other than the issuer with the intention to maintain public listing, the likelihood of shareholders tendering their shares to the Tender Offer, and the fact that it is likely to be necessary to offer a persuasive price to the Target Company and its shareholders given that prior endorsement has not been received from the Target Company's management.

Note that the Tender Offer Price of 3,950 yen per share represents a premium of 50.02% (rounded to two decimal places; the same applies hereinafter to share price premium percentages) on the closing price of the Target Company Shares of 2,633 yen on the First Section of the TSE as of January 17, 2020, the day prior to the announcement of the Tender Offer, a premium of 47.88% on the simple average closing price of 2,671 yen over the preceding one-month period (December 18, 2019 to January 17, 2020), a premium of 55.15% on the simple average closing price of 2,546 yen over the preceding three-month period (October 18, 2019 to January 17, 2020), and a premium of 61.69% on the simple average closing price of 2,443 yen over the preceding six-month period (July 18, 2019 to January 17, 2020).

(ii) Process of calculation

(Process of determining the Tender Offer Price)

As stated in "2. Purpose of the purchase, etc." above, Maeda Corporation continued to make proactive proposals for the enhancement of the Target Company's corporate value from mid-May 2019 through early June 2019, and from December 4, 2019 through December 20, 2019, proposed the enhancement of the two companies' capital relationship, including a tender offer for the purpose of Maeda Corporation acquiring the majority of voting rights of the Target Company, as a method of achieving the transformation into a comprehensive infrastructure services group; however, the Target Company's current management remained stubbornly negative without indicating any specific reasons for its position, and Maeda Corporation was not able to hold discussions regarding specific methods of enhancing the two companies' capital relationship, including the Tender Offer. However, Maeda Corporation considers reforming the Group's management systems and business operations by

building a stronger capital relationship with the Target Company to be the best option for enhancing the corporate value of the Target Company and, by extension, the Maeda Group as a whole as described in detail in “(i) Enhancement of compliance and corporate governance” in “A. Background and purpose of the Tender Offer” in “(2) Background, purpose and process of decision-making that led to the decision to conduct the Tender Offer, and management policy after the Tender Offeror” in “2. Purpose of the purchase, etc.” above, and believes that in a rapidly changing business environment where existing business can no longer be relied upon, the Group’s transformation into a comprehensive infrastructure services group is essential for its future survival, and the first steps toward that transformation must be taken as soon as possible, as stated in “2. Purpose of the purchase, etc.” above. Based on those beliefs, Maeda Corporation decided to abandon talks with the Target Company and conduct the Tender Offer.

(a) Name of the third party that provided an opinion regarding the calculation

In determining the Tender Offer Price, the Acquirers requested that Daiwa Securities, their financial advisor and a third-party valuation institution independent from the Acquirers and the Target Company, calculate the value of the Target Company Shares, and received the Valuation Report from Daiwa Securities on January 17, 2020. Daiwa Securities is not a related party of the Acquirers or the Target Company, and does not have any material interest in the Tender Offer. The Acquirers have not obtained an opinion concerning the appropriateness of the Tender Offer Price (a fairness opinion) from Daiwa Securities.

(b) Outline of the opinion

According to the Valuation Report, the following are the valuation methods adopted and the valuation ranges per share of Target Company Shares obtained through those valuation methods.

Market price analysis: 2,443 yen to 2,671 yen
 Comparable company analysis: 1,545 yen to 2,239 yen
 DCF Analysis: 3,404 yen to 4,709 yen

(c) Background to the determination of the purchase price based on the above opinion

The Acquirers determined that it would be appropriate to offer a price that constitutes an appropriate premium on the market price of the Target Company Shares, and ultimately decided on January 20, 2020 to set the Tender Offer Price at 3,950 yen per share, based on the content of the Valuation Report and comprehensive consideration of the movements in the market price of the Target Company Shares, the premium added in past tender offers by a person other than the issuer with the intention to maintain public listing, the likelihood of shareholders tendering their shares to the Tender Offer, the fact that the Tender Offer Price exceeds the price ranges calculated by market price analysis and comparable company analysis, and falls within the price range calculated by DCF Analysis in the Valuation Report, and the fact that it is likely to be necessary to offer a persuasive price to the Target Company and its shareholders given that prior endorsement has not been received from the Target Company’s management.

(iii) Relationships between the Acquirers and the valuation institution

Daiwa Securities, the financial adviser of the Acquirers, is not a related party of the Acquirers or the Target Company, and does not have any material interest in the Tender Offer.

(5) Number of share certificates, etc. to be purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
21,811,300	N/A	21,811,300

Note 1: The Tender Offeror will purchase all of the Tendered Share Certificates, Etc. if the total number of the Tendered Share Certificates, Etc. is equal to or less than the maximum number of shares to be purchased (21,811,300 shares). If the total number of Tendered Share Certificates, Etc. exceeds the maximum number of shares to be purchased (21,811,300 shares), the Tender Offeror will not purchase all or part of the excess portion, and will acquire share certificates, etc. and effect other settlement procedures for their purchase using the pro rata method pursuant to the provisions of Article 27-13, paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance.

Note 2: Shares less than one unit are subject to the Tender Offer. If a shareholder of the Target Company exercises its appraisal rights under the Companies Act with respect to shares less than one unit, the Target Company may conduct a stock buyback during the tender offer period through the procedures provided for by law.

Note 3: The Tender Offeror does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.

(6) Change in ownership ratio of share certificates, etc. through the Tender Offer

Number of voting rights pertaining to share certificates, etc. held by the Tender Offeror before the Tender Offer	1	(Ownership ratio of share certificates, etc. before the Tender Offer: 0.00%)
Number of voting rights pertaining to share certificates, etc. held by specially related parties before the Tender Offer	204,599	(Ownership ratio of share certificates, etc. before the Tender Offer: 24.68%)
Number of voting rights pertaining to share certificates, etc. held by the Tender Offeror after the Tender Offer	218,114	(Ownership ratio of Share Certificates, etc. after the Tender Offer: 26.32%)
Number of voting rights pertaining to share certificates, etc. held by specially related parties after the Tender Offer	204,599	(Ownership ratio of Share Certificates, etc. after the Tender Offer: 24.68%)
Number of voting rights of all shareholders of the Target Company	838,639	

Note 1: The “Number of voting rights pertaining to share certificates, etc. held by specially related parties before the Tender Offer” is the total of the number of voting rights pertaining to the share certificates, etc. held by each specially related party (excluding specially related parties excluded from the specially related parties for the purpose of calculation of the ownership ratio of share certificates, etc. under each item of Article 27-2 of the Act, pursuant to Article 3, paragraph 2, item 1 of the Cabinet Office Ordinance).

Note 2: The “Number of voting rights of all shareholders, etc. of the Target Company” is the total number of voting rights of all shareholders as of September 30, 2019 as stated in the Second Quarterly Securities Report for the 95th Fiscal Year (in which one share unit is stated as 100 shares); however, because all of the common shares of the Target Company, including shares less than one unit (but excluding treasury shares held by the Target Company), are subject to the Tender Offer, the “Ownership ratio of share certificates, etc. before the Tender Offer” and “Ownership ratio of share certificates, etc. after the Tender Offer” are calculated as percentages of the number of voting rights (828,850 voting rights) pertaining to the number of shares (82,885,029 shares) equivalent to the difference of the total number of issued shares of the Target Company as of December 31, 2019 as stated in the Target Company’s Report on Treasury Shares (89,159,453 shares) less the number of treasury shares held by the Target Company as of that date as stated in the Target Company’s Report on Treasury Shares (6,274,424 shares).

Note 3: The “Ownership ratio of share certificates, etc. before the Tender Offer” is rounded to two decimal places.

(7) Purchase price: 86,154,635,000 yen

Note: The “purchase price” is the product of the number of shares to be purchased in the Tender Offer (21,811,300 shares) multiplied by the Tender Offer Price per share (3,950 yen).

(8) Method of settlement

(i) Name and head office location of the securities firm, bank or other entity conducting settlement of the Tender Offer

Daiwa Securities Co., Ltd.

1-9-1 Marunouchi, Chiyoda-ku, Tokyo

(ii) Commencement date of settlement

Wednesday, March 11, 2020

(iii) Method of settlement

A notice of purchase through the Tender Offer will be sent by post to the address of each tendering shareholder, etc. (or its standing proxy in the case of an overseas resident shareholder, etc.) without delay after the end of the tender offer period.

The Tender Offer will be settled in money. The purchase price for the share certificates, etc. will be paid per the instructions of each tendering shareholder, etc., by money transfer to the place specified to the tender offer agent by the tendering shareholder, etc. (or its standing proxy in the case of a non-resident shareholder, etc.) without delay after the commencement of settlement (money transfer fees may apply), or by transfer into the account of the tendering shareholder, etc. at the tender offer agent used for tendering the share certificates, etc.

(iv) Method of return of share certificates, etc.

If the Tender Offeror does not conduct a purchase, etc. of all of the share certificates, etc. due to a condition provided for in “(i) Existence and content of conditions provided for in Article 27-13, paragraph 4 of the Act” or “(ii) Existence and content of conditions for the withdrawal of the Tender Offer and method of disclosure of withdrawal” in “(9) Other conditions and methods of the Tender Offer” below, any tendered share certificates, etc. to be returned will be returned by restoration of the accounts of the tendering shareholders, etc. established at the tender offer agent used for tendering the share certificates, etc. without delay on or after the second business day after the end of the tender offer period (or the date of withdrawal, if the Tender Offer is withdrawn).

(9) Other conditions and methods of the Tender Offer

(i) Existence and content of conditions provided for in Article 27-13, paragraph 4 of the Act

The Tender Offeror will purchase all of the Tendered Share Certificates, Etc. if the total number of the Tendered Share Certificates, Etc. is equal to or less than the maximum number of shares to be purchased (21,811,300 shares). If the total number of Tendered Share Certificates, Etc. exceeds the maximum number of shares to be purchased (21,811,300 shares), the Tender Offeror will not purchase all or part of the excess portion, and will acquire share certificates, etc. and effect other settlement procedures for their purchase using the pro rata method pursuant to the provisions of Article 27-13, paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance (if the number of Tendered Share Certificates, Etc. includes shares constituting less than one unit (100 shares), the number of shares to be purchased as calculated using the pro rata method will not exceed the number of Tendered Share Certificates, Etc.).

If the total number of shares to be purchased from each tendering shareholder, etc., as obtained by rounding the shares less than one unit arising from the pro rata calculation, is less than the maximum number of shares to be purchased, one additional unit (or up to the number of Tendered Share Certificates, Etc., if the additional purchase of one unit would exceed the number of Tendered Share Certificates, Etc.) will be purchased from each tendering shareholder, etc. in descending order of the number of rounded-down shares held by each tendering shareholder, etc. However, if purchasing from all of the shareholders holding an equal number of rounded-down shares would cause the amount purchased to exceed the maximum number of shares to be purchased, the shareholders, etc. from whom additional shares are to be purchased will be determined by lottery such that the maximum number of shares to be purchased is not exceeded. If the total number of shares to be purchased from each tendering shareholder, etc., as obtained by rounding the shares less than one unit arising from the pro rata calculation, exceeds the maximum number of shares to be purchased, the number of shares to be purchased from each tendering shareholder, etc. will be reduced by one unit (or a number of shares less than one unit, if part of the number of shares to be purchased as calculated pro rata includes a portion of shares less than one unit) in descending order of the number of rounded-up shares held by each tendering shareholder, etc. However, if reducing the shares purchased from all of the shareholders holding an equal number of rounded-up shares would cause the amount purchased to be less than the maximum number of shares to be purchased, the shareholders, etc. subject to purchase reduction will be determined

by lottery such that the maximum number of shares to be purchased is met.

(ii) Existence and content of conditions for the withdrawal of the Tender Offer and method of disclosure of withdrawal

The Tender Offer will be withdrawn if any of the conditions provided for in Article 14, paragraph 1, item 1(a) through (i) or (l) through (r) or item 3(a) through (h) and (j), or Article 14, paragraph 2, items 3 through 6 of the Enforcement Order is triggered. The Tender Offer may be withdrawn on the grounds of the occurrence of an event constituting a “matter equivalent to the matters set forth in sub-item (a) to sub-item (r)” provided for in Article 14, paragraph 1, item 1(s) if (i) the board of directors of the Target Company resolves to refer to the general meeting of shareholders of the Tender Offer a proposal to issue a dividend of surplus (except a dividend of surplus through which the amount of money and other property delivered to the shareholders is expected to be less than the equivalent of 10% of the book value of net assets on the Target Company’s balance sheet as of the most recent fiscal year-end (20,325,900,000 yen; see Note)) with a record date prior to the date of commencement of settlement of the Tender Offer (including where a decision is made to set the record date prior to the date of commencement of settlement of the Tender Offer without specifying the amount of the dividend of surplus), or (ii) the board of directors of the Target Company makes a decision to purchase treasury shares (except where the amount of money and other property to be delivered to the shareholders in exchange for those shares is expected to be less than the equivalent of 10% of the book value of net assets on the Target Company’s balance sheet as of the end of the most recent fiscal year (20,325,900,000 yen)). With respect to the Tender Offer, the “facts equivalent to those set forth in sub-item (a) to sub-item (i)” provided for in Article 14, paragraph 1, item 3(j) of the Enforcement Order refer to where a statutory disclosure document issued by the Target Company is found to contain false statements with respect to a material matter or to omit a material matter to be included, and the Tender Offeror was unaware of that false statement or omission and could not have learned of that false statement or omission by the application of adequate care.

The Tender Offeror will give notice of any withdrawal by electronic public notice and by publication in the *Nihon Keizai Shimbun*; however, if it is impracticable to make public notice before the end of the tender offer period, the Tender Offeror will make a public announcement by a method provided for in Article 20 of the Cabinet Office Ordinance, and make public notice immediately thereafter.

Note : Assuming no change in the total number of issued shares and the number of treasury shares, equivalent to a dividend of 246 yen per share (specifically, equal to the quotient of 10% (20,325,900,000 yen) of the non-consolidated net assets of the Target Company as of the end of March, 2019 (203,259,000,000 yen; rounded to the nearest million yen) as stated in the Target Company’s Annual Securities Report for the 94th Fiscal Year divided by the difference (82,885,029 shares) of the total number of issued shares of the Target Company as of December 31, 2019 (89,159,453 shares) as stated in the Target Company’s Report on Treasury Shares less the number of treasury shares held by the Target Company as of December 31, 2019 (6,274,424 shares) as stated in the Target Company’s Report on Treasury Shares, rounded to the nearest whole yen.

(iii) Existence and content of conditions for the reduction of the tender offer price and method of disclosure of reduction

Pursuant to the provisions of Article 27-6, paragraph 1, item 1 of the Act, if the Target Company commits any of the acts provided for in Article 13, paragraph 1 of the Enforcement Order during the tender offer period, the Tender Offeror may reduce the tender offer price in accordance with the standard provided for in Article 19, paragraph 1 of the Cabinet Office Ordinance.

The Tender Offeror will give notice of any reduction in the tender offer price by electronic public notice and by publication in the *Nihon Keizai Shimbun*; however, if it is impracticable to make public notice before the end of the tender offer period, the Tender Offeror will make a public announcement by a method provided for in Article 20 of the Cabinet Office Ordinance, and make public notice immediately thereafter. Any reduction in the tender offer price will also apply to Tendered Share Certificates, Etc. tendered before the date of public notice of the reduction.

(iv) Matters concerning the right of cancellation of tendering shareholders, etc.

A tendering shareholder, etc. may cancel its contract with respect to the Tender Offer at any time during the tender offer period. Cancellation of a contract should be conducted by delivering or sending cancellation documents (consisting of the receipt issued upon tendering the share certificates, etc. and a written document stating the intention to cancel the contract with respect to the Tender Offer) to the head office or a branch office of the tender offer agent through which the share certificates, etc. were tendered by 16:00 on the last day of the tender offer period. If sent, the cancellation documents must arrive before 16:00 on the last day of the tender offer period.

The Tender Offeror will not seek compensation or a penalty for default from a tendering shareholder, etc. for cancellation. The Tender Offeror will bear the cost of returning the Tendered Share Certificates, Etc. to the tendering shareholder, etc. If a cancellation is requested, the Tendered Share Certificates, Etc. will be returned by the method specified in “(iv) Method of return of share certificates, etc.” in “(8) Method of settlement” above promptly after completion of the cancellation procedure.

(v) Method of disclosure of changes to the conditions of purchase

The Tender Offeror may change the conditions of purchase, except in cases prohibited under Article 27-6, paragraph 1 of the Act or Article 13 of the Enforcement Order.

The Tender Offeror will give notice of the details of any change to the conditions of the Tender Offer by electronic public notice and by publication in the *Nihon Keizai Shimbun*; however, if it is impracticable to make public notice before the end of the tender offer period, the Tender Offeror will make a public announcement by a method provided for in Article 20 of the Cabinet Office Ordinance, and make public notice immediately thereafter. Any change to the conditions of the Tender Offer will also apply to Tendered Share Certificates, Etc. tendered before the date of public notice of the change.

(vi) Method of disclosure of submission of an amended tender offer statement

If the Tender Offeror submits an amended tender offer statement to the Kanto Local Finance Bureau (excluding the case provided for in the proviso of Article 27-8, paragraph 11 of the Act), it will immediately make a public announcement, by a method provided for in Article 20 of the Cabinet Office Ordinance, of those matters contained in the amended tender offer statement that pertain to matters in the public notice of commencement of the Tender Offer. The Tender Offeror will also immediately amend the explanatory statement for the Tender Offer and deliver the amended explanatory statement to any tendering shareholders, etc. who have already received the explanatory statement; however, if the amendment is minor in scope, the Tender Offeror may prepare and deliver to those tendering shareholders, etc. a written description of the reason for the amendment, the affected matters, and the amended content.

(vii) Method of disclosure of the results of the tender offer

The results of the Tender Offer will be publicly announced by a method provided for in Article 9-4 of the Enforcement Order or Article 30-2 of the Cabinet Office Ordinance on the day after the last day of the tender offer period.

(10) Date of public notice of commencement of the tender offer

Tuesday, January 21, 2020

(11) Tender offer agent

Daiwa Securities Co., Ltd.

1-9-1 Marunouchi, Chiyoda-ku, Tokyo

3. Policy after the tender offer and future outlook

See “(2) Background, purpose and process of decision-making that led to the decision to conduct the Tender Offer, and

management policy after the Tender Offeror” in “2. Purpose, etc. of the Tender Offer” above with respect to the policy after the Tender Offer.

4. Other

(1) Existence and content of an agreement between the Tender Offeror and the Target Company or its officers

Not applicable.

(2) Other information necessary for investors to judge the merits of tendering shares in the purchase, etc.

Not applicable.

End

· This release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanation Statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This press release is not, and does not constitute a part of, an offer to sell or purchase, or solicitation to sell or purchase any securities, and neither this press release (or a part of this press release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this press release may not be relied upon at the time of entering into any such agreement.

· The Tender Offer will be implemented in compliance with the procedures and information disclosure standards provided by the Financial Instruments and Exchange Act of Japan, which procedures and standards are not necessarily identical to the procedures and information disclosure standards applied in the United States. Specifically, Section 13 (e) and Section 14 (d) of the U.S. Securities Exchange Act of 1934 (as amended; hereinafter, "1934 Securities Exchange Act") and the rules promulgated under such Articles do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. All of the financial information contained in this press release is based on Japanese accounting standards, not U.S. accounting standards, and may not necessarily be comparable to U.S. financial information. Further, it may be difficult to enforce any right or demand arising under U.S. federal securities laws, because both of the Tender Offeror and the Target Company are incorporated outside the United States and none of their officers are U.S. residents. It may be impossible to take legal action against a non-U.S. company or its officers in a non-U.S. court for a violation of U.S. securities law. Furthermore, there is no guarantee that a non-U.S. company or its subsidiaries and affiliates are subject to the jurisdiction of a U.S. court.

· All procedures in connection with the Tender Offer shall be conducted in the Japanese language. While all or part of the documents in connection with the Tender Offer may be prepared in English, the Japanese documents shall prevail in case of any discrepancy between the Japanese documents and the corresponding English documents.

· This press release and the attached reference materials contain "forward-looking statements" as defined in Section 27A of the United States Securities Act of 1933 (as amended) and Section 21E of the 1934 Securities Exchange Act. The actual results may significantly differ from the projections implied or expressly stated as "forward-looking statements" due to known or unknown risks, uncertainties or other factors. The Tender Offeror and its affiliates are not in the position to covenant that the projections implied or expressly stated as "forward-looking statements" will actually be realized. The "forward-looking statements" contained herein and in the attached reference materials have been prepared based on the information available to the Tender Offeror as of the date of this press release and, unless required by laws and regulations and the rules of financial instruments exchanges, neither the Tender Offeror nor its affiliates are obligated to update or correct the statements made herein in order to reflect future events or circumstances.

· The financial advisors of the Tender Offeror and the Target Company and their affiliates may, in the ordinary course of their business, purchase the common shares of the Target Company, or act in preparation for such purchase, for their own account or for their customers' account before or during the tender offer period, in accordance with the requirements of Rule 14e-5(b) of the 1934 Securities Exchange Act and to the extent permitted under Japanese financial instruments and exchange regulations. If any information concerning such purchase is disclosed in Japan, the relevant purchaser will also disclose such information on in a similar matter in the United States.